

## Securities and Exchange Commission

## § 240.13b2-1

report must be included for each party participating in the servicing function. A party participating in the servicing function means any entity (e.g., master servicer, primary servicers, trustees) that is performing activities that address the criteria in paragraph (d) of Item 1122 of Regulation AB (§229.1122(d) of this chapter), unless such entity's activities relate only to 5% or less of the pool assets.

[70 FR 1621, Jan. 7, 2005]

### § 240.13a-19 Reports by shell companies on Form 20-F.

Every foreign private issuer that was a shell company, other than a business combination related shell company, immediately before a transaction that causes it to cease to be a shell company shall, within four business days of completion of that transaction, file a report on Form 20-F (§249.220f of this chapter) containing the information that would be required if the issuer were filing a form for registration of securities on Form 20-F to register under the Act all classes of the issuer's securities subject to the reporting requirements of section 13 (15 U.S.C. 78m) or section 15(d) (15 U.S.C. 78o(d)) of the Act upon consummation of the transaction, with such information reflecting the registrant and its securities upon consummation of the transaction.

[70 FR 42247, July 21, 2005]

### § 240.13a-20 Plain English presentation of specified information.

(a) Any information included or incorporated by reference in a report filed under section 13(a) of the Act (15 U.S.C. 78m(a)) that is required to be disclosed pursuant to Item 402, 403, 404 or 407 of Regulation S-K (§229.402, §229.403, §229.404 or §229.407 of this chapter) must be presented in a clear, concise and understandable manner. You must prepare the disclosure using the following standards:

- (1) Present information in clear, concise sections, paragraphs and sentences;
- (2) Use short sentences;
- (3) Use definite, concrete, everyday words;
- (4) Use the active voice;
- (5) Avoid multiple negatives;
- (6) Use descriptive headings and sub-headings;

(7) Use a tabular presentation or bullet lists for complex material, whenever possible;

(8) Avoid legal jargon and highly technical business and other terminology;

(9) Avoid frequent reliance on glossaries or defined terms as the primary means of explaining information. Define terms in a glossary or other section of the document only if the meaning is unclear from the context. Use a glossary only if it facilitates understanding of the disclosure; and

(10) In designing the presentation of the information you may include pictures, logos, charts, graphs and other design elements so long as the design is not misleading and the required information is clear. You are encouraged to use tables, schedules, charts and graphic illustrations that present relevant data in an understandable manner, so long as such presentations are consistent with applicable disclosure requirements and consistent with other information in the document. You must draw graphs and charts to scale. Any information you provide must not be misleading.

(b) [Reserved]

NOTE TO §240.13a-20: In drafting the disclosure to comply with this section, you should avoid the following:

1. Legalistic or overly complex presentations that make the substance of the disclosure difficult to understand;
2. Vague "boilerplate" explanations that are imprecise and readily subject to different interpretations;
3. Complex information copied directly from legal documents without any clear and concise explanation of the provision(s); and
4. Disclosure repeated in different sections of the document that increases the size of the document but does not enhance the quality of the information.

[71 FR 53261, Sept. 8, 2006, as amended at 73 FR 976, Jan. 4, 2008]

### REGULATION 13B-2: MAINTENANCE OF RECORDS AND PREPARATION OF REQUIRED REPORTS

#### § 240.13b2-1 Falsification of accounting records.

No person shall directly or indirectly, falsify or cause to be falsified, any book, record or account subject to